

**NEW JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY**

***C O D E
O F
E T H I C S***

**ADOPTED:
REVISED:
REVISED:**

**DECEMBER 21, 1989
SEPTEMBER 27, 1999
APRIL 25, 2002**

INTRODUCTION

At a meeting held on December 21, 1989, the New Jersey Health Care Facilities Financing Authority adopted a Code of Ethics, which sets forth guidelines governing the appropriate professional conduct of its members and employees. The Authority's Code of Ethics has been revised as a result of Authority resolutions adopted at meetings held on September 27, 1999, and April 25, 2002.

Members or employees wishing to receive clarification of their obligations under the provisions of this Code or, needing assistance in resolving specific questions within the framework of the Code of Ethics, are asked to consult the Authority's Ethics Liaison Officer, the Executive Director of the Authority, and/or the New Jersey Executive Commission on Ethical Standards'.

The full text of the statutes and regulations cited in the Authority's Code of Ethics are available for review on the Executive Commission on Ethical Standards web site:
<http://www.state.nj.us/lps/ethics>.

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

CODE OF ETHICS

A. *PURPOSE*

Members and employees of the New Jersey Health Care Facilities Financing Authority are subject to the requirements of the New Jersey Conflicts of Interest Law ("Conflicts Law") (N.J.S.A. 52:13D-12 et seq.) the regulations of the Executive Commission on Ethical Standards (N.J.A.C. 19:61-1.1 et seq.) and Executive Order No. 10 (McGreevey). Pursuant to authority contained in the Conflicts Law, the New Jersey Health Care Facilities Financing Authority (the "Authority") hereby sets forth a Code of Ethics specifying standards of conduct for its members and employees to ensure the propriety of their actions as public officials.

B. *DEFINITIONS*

Words of the masculine or feminine gender shall be construed as being inclusive of the corresponding words of the other gender.

"Authority" shall mean the New Jersey Health Care Facilities Financing Authority, as defined under the enabling legislation, N.J.S.A. 26:2I-1 et seq.

"Employee" shall mean any person employed and compensated by the Authority either on a full-time or part-time basis, but shall not include any consultant or independent contractor.

"Ethics Liaison Officer" shall mean a duly authorized employee of the Authority, appointed by the Executive Director.

"Interested Party" is defined as any person, association, organization, firm, partnership or corporation, 1) which is or may reasonably be anticipated to be subject to an action of the Authority; 2) any supplier that is providing or seeking to provide goods/services to the Authority, including but not limited to, consultants, vendors and lessors; 3) any organization that advocates or represents the positions of its members to the Authority; or 4) any organization a majority of whose members are as described in 1) through 3) above.

"Member" shall mean any of the three (3) ex-officio representatives (the New Jersey Commissioners of Health and Senior Services, Human Services, and Banking and Insurance) and their respective representatives to the Authority; four (4) public members appointed by the Governor; and/or any other individuals officially designated to lawfully vote on Authority matters, all of whom shall comprise the Authority as established by N.J.S.A. 26:2I-1 et seq.

"Covered Party" shall mean any Member or Employee who is required by law or by Executive Order to submit a Financial Disclosure Statement to the Executive Commission on Ethical Standards ("Executive Commission").

"State" shall mean the State of New Jersey.

C. *BASIC PREMISE*

The Authority, as an independent subdivision of the State of New Jersey, has a basic purpose to serve the public interest. All Members and Employees must therefore conduct themselves in the course of their appointment or employment in such manner as to maintain the respect, trust, and confidence of the public. They must avoid all activities or associations that are, or might justifiably appear to be, in violation of the public interest.

Rules of conduct adopted pursuant to these principles should recognize that under our democratic form of government, public officials and employees should be drawn from all of our society, that citizens who serve in government cannot and should not be expected to be without any personal interest in the decisions and policies of government; that citizens who are government officials and employees have a right to private interests of a personal, financial and economic nature; that standards of conduct should separate those conflicts of interest which are unavoidable in a free society from those conflicts of interest which are substantial and material, or which bring government into disrepute.

D. *GENERAL PROVISIONS*

1. Upon commencement of employment and/or at the beginning of the term of appointment as a Member, Members and Employees will be expected to read, sign, date and return the "Statement of Compliance" to the Ethics Liaison Officer (See Attachment A).
2. Upon commencement of employment and/or at the beginning of the term of appointment as a Member, and no later than January 31 of each year, Members and Employees will be expected to complete, sign, and submit to the Ethics Liaison Officer a "Conflict of Interest Questionnaire" (see Attachment B) on which he should identify all non-Authority offices held, all professional licenses held, and all outside employment. The outside activities, as reported by Members and Employees on the Conflict of Interest Questionnaire, will be submitted by the Ethics Liaison Officer to the Executive Director of the Authority for approval.
3. No Member or Employee shall make, directly or indirectly, or advise or otherwise assist any other person to make, any financial investments based upon information available to him through his official position unless such information is generally available to the public, and provided that such investment or related advice and assistance is made or given in a manner consistent with the other provisions of this Code, the New Jersey Conflicts of Interest Law (N.J.S.A. 52:13D-12 et. seq.), and any other applicable provisions of the Law.
4. No Member or Employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest. A "financial interest" means (a) the ownership or control of more than 10 percent of the profits or assets of a firm, association or partnership, or more than 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P. L. 1969, c. 232 (C. 14A:17-1 et seq.); or (b) the ownership or control of more than 1 percent of the stock in any corporation, which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P.L. 1977, c. 110 (C. 5:12-1 et seq.). The provisions of this Code governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation engaged in business dealings with the Authority.

5. No Member or Employee should undertake employment or service, whether compensated or not, which might reasonably be expected to impair his objectivity or independence of judgement in the exercise of official duties.
6. No Member or Employee should engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State Government without promptly filing notice with the Ethics Liaison Officer, who shall consult with, and maintain on file such notice for, the Executive Director of the Authority and/or the Executive Commission on Ethical Standards.

E. *ADDITIONAL RESTRICTIONS ON INDIVIDUAL CONDUCT*

1. No Member or Employee shall knowingly act in any way, which might reasonably be expected to create an impression or suspicion among the public having knowledge of his acts that he may have acted in a way violative of his trust as a Member or Employee.
2. No Member or Employee shall use or attempt to use his official position to secure unwarranted privilege or advantages for himself or others.
3. No Member or Employee shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public, which he receives or acquires in the course of and by reason of his official duties. (See N.J.S.A. 52:13D-25).
4. No Member or Employee shall use Authority resources, property, or funds for personal gain or benefit.
5. No Member or Employee shall act in his official capacity in any matter wherein he has a direct or indirect personal financial interest that might reasonably be expected to impair his objectivity or independence of judgement.

F. *DISCLOSURE AND AVOIDANCE OF CONFLICTS OF INTEREST*

1. No Member or Employee shall acquire a direct or indirect financial interest in, or business dealings with, any individual or entity (or subsidiary or affiliate thereof) which seeks to do or does business with the Authority directly or indirectly in any capacity including, without limitation, as an applicant, consultant, contractor, attorney, banker, underwriter, or architect. The Member or Employee, as soon as he knows of such interest, in addition to taking some action required by law, shall (a) fully disclose any such ownership or business dealings in writing to the Ethics Liaison Officer to determine if such individual should fully divest him/herself of the interest or discontinue the business dealings; and (b) refrain from participating in all activities of the Authority relating to the individual or entity.

G. *ACCEPTANCE OF COMPENSATION AND/OR GIFTS*

1. No Member or Employee shall accept from any Interested Party, whether directly or indirectly, and whether by himself or through his spouse or any member of his immediate family, or through any partner or associate, any gift, favor, service, employment or offer of employment, or any other thing of value which he knows or has reason to believe is offered to him with the intent to influence him in the performance of his public duties and responsibilities. This provision shall not apply to the acceptance of contributions for the campaign of an announced candidate for public office. (See N.J.S.A. 52:13D-14).
2. No Member or Employee shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any Interested Party for any service, advice, assistance or other matter related to his official duties, except reasonable fees for speeches or published works on matters within his official duties consistent with the restrictions provided at N.J.A.C. 19:61-6.7 and in connection therewith, reimbursement of actual expenditures for travel and reasonable subsistence for which no payment or reimbursement is made by the State of New Jersey or the Authority. This section shall not apply to the solicitation or acceptance of contributions for the campaign of an announced candidate for elective public office. (See N.J.S.A. 52:13D-24).
3. Each and every offer and/or receipt of any gift, favor, service, employment or offer of employment, or any other thing of value (including meals) must be reported on the "Code of Ethics Reporting/Request Form" (see Attachment C) to the Ethics Liaison Officer who, together with the Executive Director, shall review the circumstances of the offer and determine the appropriate course of action.
4. Any employee considering acceptance of an invitation to any business-related function (a conference, groundbreaking, meal, open house, fundraiser, appearance involving honorarium, etc.) from or with a firm or person doing business with the Authority or contemplating doing business with the Authority should report the invitation, using the "Request for Approval for Attendance at Event" form (see Attachment D). A determination, in consultation with the Executive Director, will then be made as to whether representation of the Authority is appropriate, whether acceptance of the invitation will present any problems of conflict with this Code of Ethics and whether the Authority might wish to underwrite the costs incurred with participation in the activity as an alternative to accepting the invitation as offered.

H. AFTER EMPLOYMENT RESTRICTION

1. No Member or Employee, subsequent to the termination of his office or employment with the Authority, shall represent, appear for, negotiate on behalf of, or provide information not generally available to the public or services to, whether by himself or through any partnership, firm or corporation in which he has an interest or through any partner, officer, or employee thereof, any person or party other than the Authority in connection with any project or other matter in which such Member or Employee was substantially and directly involved at any time during the course of his appointed term of office or employment. Any person who willfully violates the provisions of this section is considered a disorderly person and shall be subject to a fine not to exceed \$500 or imprisonment not to exceed six months, or both. (See N.J.S.A. 52:13D-17).

As an example, under the above statutory section, a former Authority project manager could not represent, appear for or negotiate for a new employer, e.g., a consultant, before the Authority, on a project managed by the project manager while employed with the Authority. The former employee could, however, work on a new project that has arisen since leaving the Authority, or on a project, in which the project manager did not have direct or substantial involvement while employed by the Authority.

Direct and substantial involvement, as stated in the statute, may exclude persons who have been engaged in a cause, issue or project on a routine, non-decision-making basis.

Questions concerning possible post-employment conflicts should be addressed to the Ethics Liaison Officer prior to termination of employment, if possible.

Members or Employees who are subject to financial disclosure by law or by executive order and, in certain circumstances, the immediate family members of such persons are subject to further employment-related restrictions in matters involving the casino industry. Covered Parties should review N.J.S.A. 52:13D-17.2. Any questions regarding application of these restrictions should be referred to the Ethics Liaison Officer or to the Executive Commission on Ethical Standards.

I. MISCELLANEOUS

1. Covered Parties are required to complete and submit financial disclosure statements as required by law or by executive order.
2. Covered Parties must comply with all applicable laws and executive orders with regard to blind trusts or interest in closely-held corporations or similar entities (See Attachment E).

J. *ENFORCEMENT*

1. This Code of Ethics is adopted by the New Jersey Health Care Facilities Financing Authority pursuant to and subject to the provisions of the New Jersey Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.). Any violation of this Code shall be cause for removal, suspension, demotion, or other disciplinary actions, including any penalty, which may be imposed by the applicable law, subject to the review and approval by the Executive Commission on Ethical Standards.

SUMMARY OF ATTACHED DOCUMENTS

ATTACHMENT A -- STATEMENT OF COMPLIANCE

Individuals assuming appointment/employment with the Authority, or individuals, who are Members or Employees at the time the Code of Ethics shall take effect, shall be provided with a copy of the Code of Ethics for their personal reference. The Statement of Compliance should be signed, dated, and returned to the Ethics Liaison Officer for filing. (See Page 4, Paragraph D, "General Provisions," #1).

ATTACHMENT B -- CONFLICT OF INTEREST QUESTIONNAIRE

At commencement of appointment/employment and/or in January of each year of appointment/employment with the Authority, the Ethics Liaison Officer shall forward to Members and Employees a Conflict of Interest Questionnaire that should be fully completed and returned to the Ethics Liaison Officer for review and approval by the Executive Director. The Ethics Liaison Officer shall keep completed Conflict of Interest Questionnaires on file. (See Page 4, Paragraph D, "General Provisions," #2).

ATTACHMENT C -- CODE OF ETHICS REPORTING/REQUEST FORM

Reporting/Request forms may be obtained from the Ethics Liaison Officer and, upon completion, should be returned to the Ethics Liaison Officer for review and final determination by the Executive Director of the Authority and/or the NJ Commission on Ethical Standards. The Ethics Liaison Officer shall retain completed forms on file. (See Page 6, Paragraph G, "Acceptance of Compensation and/or Gifts," #3).

ATTACHMENT D – REQUEST FOR APPROVAL FOR ATTENDANCE AT EVENT

Requests for Approval for Attendance at Event forms may be obtained from the Ethics Liaison Officer and may be reproduced as necessary. Completed forms should be returned to the Ethics Liaison Officer for review and final determination by the Ethics Liaison Officer and/or the Authority's Executive Director and/or the NJ Commission on Ethical Standards. The Ethics Liaison Officer shall retain completed forms on file. (See Page 6, Paragraph G, "Acceptance of Compensation and/or Gifts," #4).

ATTACHMENT E – BLIND TRUSTS AND INTERESTS IN CLOSELY-HELD CORPORATIONS OR SIMILAR ENTITIES.

Covered Parties must comply with all applicable laws and executive orders with regard to the Blind Trusts and Interests in Closely-Held Corporations or Similar Entities. (See Page 7, Paragraph I, "Miscellaneous," #2).

ATTACHMENT A

**NEW JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY**

**STATEMENT OF COMPLIANCE
with
THE CODE OF ETHICS
(Submit completed form to the Ethics Liaison Officer)**

The New Jersey Health Care Facilities Financing Authority does not intend to inquire into a person's individual and personal affairs beyond seeking to ensure that neither the Member, Employee, nor the Authority be subjected to criticism. In order to implement the Authority's Code of Ethics, Members and Employees are asked to read, sign, and date this "Statement of Compliance" after reading the Code of Ethics and return the Statement to the Ethics Liaison Officer.

I hereby affirm in good faith and to the best of my ability that:

1. I have received a copy of, read, and understand the Code of Ethics, adopted by the Authority on December 21, 1989 and revised on September 27, 1999 and on April 25, 2002;
2. I, and members of my immediate family, will act in accordance with the spirit and letter of this Code of Ethics; and,
3. I will report, as soon as possible to the Ethics Liaison Officer, any uncertainties regarding compliance with the Code of Ethics, or any potential violation of the Code of Ethics by me or a member of my immediate family.

Member/Employee

Date

Please Print Full Name

Official Title

ATTACHMENT B

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

CODE OF ETHICS CONFLICT OF INTEREST QUESTIONNAIRE

S T A T E M E N T

Every Member and Employee will be required to answer and sign the attached "Conflict of Interest Questionnaire" at the commencement of a term of office (in the case of appointment or nomination to the Authority by the Governor) or at the beginning of employment. Members and Employees will also be required to complete the form once each year during the month of January throughout their terms of appointment or employment and forward same to the Ethics Liaison Officer prior to January 31.

Every Member and Employee is subject to the Code of Ethics, which was adopted by the Authority on December 21, 1989 and revised on September 27, 1999 and on April 25, 2002. Anyone who believes he may have a potential conflict of interest should provide, in writing to the Ethics Liaison Officer, the circumstances surrounding the potential conflict. After thorough review of the issue by the Ethics Liaison Officer, in consultation with the Executive Director and/or the Executive Commission on Ethical Standards, a response will be provided, in writing, from the Ethics Liaison Officer.

A copy of the Authority's Code of Ethics is available for review at the office of the Authority. If a Member or Employee needs to replace his copy of the Code of Ethics, please contact the Ethics Liaison Officer.

**NEW JERSEY HEALTH CARE FACILITIES
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CODE OF ETHICS

CONFLICT OF INTEREST QUESTIONNAIRE

Member/Employee: _____

Residence Address: _____

Please answer the following questions and sign where indicated. A "yes" response requires further explanation. Please fill in the necessary information in the space provided and/or attach a detailed, written description of the duties associated with any public office or outside employment, including the name and address of the entity/employer, type of service provided, and hours of work. Please indicate the type of license held and the year it was conferred.

1. Are you presently a director, officer, sole proprietor, partner, employee of, consultant or advisor to any organization other than the NJ Health Care Facilities Financing Authority?

_____NO _____YES _____
- 2) Are you currently serving in or being considered for appointment to a public office?

_____NO _____YES _____
- 3) Are you presently licensed by the State of New Jersey or any other state for any business, trade or profession?

_____NO _____YES _____
- 4) Are you, or any member of your immediate family, employed by an applicant for or holder of a casino license?

_____NO _____YES _____

I hereby certify that this Conflict of Interest Questionnaire contains no willful misstatement of fact nor omission of material fact and that, after submission to the Ethics Liaison Officer, any future outside activities or employment shall be reported in writing in advance of my involvement with such activities or outside employment.

Member/Employee

Date

Ethics Liaison Officer

Date

Executive Director

Date

ATTACHMENT C

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

CODE OF ETHICS

CODE OF ETHICS REPORTING/REQUEST FORM

S T A T E M E N T

Every Member and Employee will be required to complete and submit the attached "Code of Ethics Reporting/Request Form" to the Ethics Liaison Officer when questions arise as to the propriety of anticipated or past participation in a professional activity and/or the receipt of a tangible gift. This form should be submitted as soon as possible in advance of a professional activity, following participation in a professional activity, and/or upon receipt of a gift to ensure that there are no conflicts with the Authority's Code of Ethics. Completed forms are to be forwarded to the Ethics Liaison Officer for review and determination in consultation with the Executive Director of the Authority and/or the Executive Commission on Ethical Standards. A formal written disposition will be returned to the Member or Employee by the Ethics Liaison Officer following the submission of a form, and a copy will be retained on file at the office of the Authority.

Every Member and Employee is subject to the requirements of the New Jersey Conflicts of Interest Law and the provisions of a Code of Ethics, which was adopted by the Authority on December 21, 1989 and revised on September 27, 1999 and on April 25, 2002. All Members and Employees must conduct themselves in the course of their appointments or employment in such a manner as to maintain the respect, trust, and confidence of the public.

A copy of the Authority's Code of Ethics is available for review at the office of the Authority. If a Member or Employee needs to replace his copy of the Code of Ethics, please contact the Ethics Liaison Officer.

**NEW JERSEY HEALTH CARE FACILITIES
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CODE OF ETHICS REPORTING/REQUEST FORM

This form is to be completed and submitted to the Ethics Liaison Officer:

1. When guidance is required in advance of participating in a professional activity;
2. Immediately following participation in a professional activity; and/or
3. Upon the receipt of a tangible gift to ensure that there is no conflict with the Code of Ethics.

Member/Employee: _____

Describe the () proposed or () actual participation in a professional activity and/or the gift received (include dates):

Who provided invitation/gift? _____
Name of Firm and Representative

Approximate Value (if known): _____

Authority Action

Approved: Yes _____ No _____

Authority to pay cost of \$ _____

Follow-up required by Ethics Liaison Officer: ____ Yes ____ No

Comments: _____

Ethics Liaison Officer

Member/Employee

Date

Date

ATTACHMENT D

REQUEST FOR APPROVAL FOR ATTENDANCE AT EVENT

STATEMENT

Any employee considering acceptance of an invitation to any business-related function (a conference, groundbreaking, meal, open house, fund-raiser, appearance involving honorarium, etc.) from or with a firm or person doing business with the Authority or contemplating doing business with the Authority should report the invitation, using the “Request for Approval for Attendance at Event” form (see Attachment D, as attached). A determination, in consultation with the Executive Director, will then be made as to whether representation of the Authority is appropriate, whether acceptance of the invitation will present any problems of conflict with this Code or Ethics and whether the Authority might wish to underwrite the costs incurred with participation in the activity as an alternative to accepting the invitation as offered.

**NEW JERSEY HEALTH CARE FACILITIES
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REQUEST FOR APPROVAL TO ATTEND AN EVENT

Name: _____ Title: _____

Event: _____

Event Location _____ Date(s) _____

Sponsor: _____

Is the Sponsor an "interested party?"	Yes	No
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Overnight accommodation required?	Yes	No
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Out-of-state travel required?	Yes	No
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Estimated Cost: _____

Authority to pay cost?	Yes	No
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Sponsor to pay cost?	Yes	No
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Employee to pay cost?	Yes	No
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Reason for Attending: _____

Will Sponsor offer an honorarium or fee?	Yes	No
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Amount of Honorarium: _____

Member/Employee Signature

Date

***Note:* Any substitutions or changes of circumstances must be reported**

Attendance Approved	Yes	No
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Acceptance of Honorarium Approved	Yes	No
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Conditions: _____

Ethics Liaison Officer

Date

ATTACHMENT E

EXECUTIVE ORDER #10 (McGreevey) SECTIONS II & III COVERING BLIND TRUSTS AND INTERESTS IN CLOSELY-HELD CORPORATIONS OR SIMILAR ENTITIES

II. BLIND TRUSTS

1. For those situations where a blind trust may be utilized by a public employee or public officer, his or her spouse or dependent children, and approved by the Executive Commission, such trust shall contain the following characteristics:
 - a. The trust shall not contain investments or assets in which the holder's ownership right or interest is required to be recorded in a public office or those assets whose permanency makes transfer by the trustee improbable or impractical; these investments or assets would include, but not be limited to, businesses, real estate, security interests in personal property and mortgages;
 - b. The trust shall contain a clear statement of its purpose, namely, to remove from the grantor control and knowledge of investment of trust assets so that conflicts between grantor's responsibilities and duties as a public employee or public officer and his or her private business or financial interests will be eliminated;
 - c. The trust shall be irrevocable, and shall be terminated only upon the death of the public employee or public officer or upon termination of his or her status as a public employee or public officer whichever shall first occur;
 - d. The trustee shall be directed not to disclose to the grantor any information about any of the assets in the trust;
 - e. The trustee shall be required either to:
 - (1) prepare and file the grantor's personal income tax returns, withholding from distribution of the trust's net income amounts sufficient to pay the grantor's tax; and further to participate in the audit of the grantor's returns during the period of the trust with authority to compromise the grantor's tax liability; or
 - (2) submit to the grantor, for income tax purposes, a certification of income paid without identifying the assets producing such income;
 - f. Among its other powers, the trustee shall have authority to determine whether any of the assets originally transferred to the trustee are to be sold and, if so, when;
 - g. A provision shall be included in the trust agreement prohibiting the trustee from investing the trust property in corporations or businesses which do a significant amount of business with the State of New Jersey or from knowingly making any investment in a corporation, business or venture over which the grantor has regulatory or supervisory authority by virtue of his or her official position;

- h. The grantor shall retain no control over the trustee nor shall he or she be permitted to make any recommendations or suggestions as to the trust property;
 - i. The trustee shall be a commercial trustee and not a natural person;
 - j. The principal benefit to be retained by the grantor shall be the right to receive income from the assets transferred to the trust;
 - k. The trust shall not become effective until submitted and approved by the Executive Commission; and
 - l. The trust agreement shall provide the trustee will give the Executive Commission access to any records or information related to the trust which is necessary for the performance of the Commission's duties.
2. A copy of the executed blind trust agreement shall be filed with the Executive Commission and with the head of the department in which the regular State employee holds his or her position. Attached to such copy shall be a brief statement outlining the business or financial interests from which the regular State employee seeks to remove himself or herself and the actual or potential conflicts of interest, or appearance of such conflicts, which he or she seeks to avoid by use of the trust agreement.

III. INTERESTS IN CLOSELY-HELD CORPORATIONS OR SIMILAR ENTITIES

- 1. No regular State employee who is required by law or Executive Order to submit a Financial Disclosure Statement to the Executive Commission shall be permitted to retain any interest in any closely-held corporation, partnership, sole proprietorship, or similar business entity doing business with any federal, State, interstate or local government entity, except as provided in subsection 3 below.
 - a. Any such regular State employee who is employed as of the date of this Executive Order, and who retains any interest in any closely-held corporation, partnership, sole proprietorship, or similar business entity doing business with any federal, State, interstate or local government entity, shall notify the Executive Commission as to his or her interest, and his or her spouse's interest, in such a business entity within 120 days of the effective date of this Order. The Executive Commission shall review this disclosure statement to determine whether the business entities in which the employee has an interest are engaged in government-related business within the meaning of this Executive Order, and whether the holdings are in compliance with the Conflicts of Interest Law, N.J.S.A. 52:13D-12 et. seq. and this Executive Order. No later than 120 days from the Executive Commission's receipt of the Financial Disclosure Statement, the Executive Commission shall notify the employee of its findings. The employee shall be afforded 120 days after the date of notification to effectuate the orderly disposition of any asset, except as may be further extended by the Executive Commission or to demonstrate to the Executive Commission that the business entity has ceased to do business with a government entity in a manner prohibited by this Executive Order.

- b. After the issuance of this Executive Order, no State agency shall employ any person in a covered position who at the time of employment holds any interest in any closely held corporation, partnership, sole proprietorship or similar business entity doing business with any federal, State, interstate or local government entity, except as provided in subsection 3 below. No individual seeking employment in such a position shall divest a covered asset in a manner otherwise prohibited by this Executive Order for the purpose of satisfying the provisions of this Executive Order. Furthermore, no employee shall obtain any prohibited interest in a business entity during the employee's tenure.
 - c. The provisions of subsections III A1 and III A2 shall not apply to any purchase, sale, contract or agreement with any government entity other than a State agency, which is made or awarded after public notice and competitive bidding as provided by the Local Government Contracts Law, N.J.S.A. 40A:11-1 et. seq., or such similar provisions contained in the public bidding laws or regulations applicable to any government entity in this State or any other jurisdiction, provided that any such purchase, sale, contract or agreement, including a change in orders and amendments thereto, shall receive the prior approval of the Executive Commission. The provisions of subsections III A1 and III A2 do apply where the purchase, sale, contract or agreement is authorized by any of the exceptions (e.g., professional or technical services, emergent matters, and unique compatibility) provided by the Local Government Contracts Law, N.J.S.A. 40A:11-1 et. seq., or such similar provisions contained in the public bidding laws or regulations of any other jurisdiction.
2. No regular State employee or special State officer who is required by law or Executive Order to submit Financial Disclosure Statements to the Executive Commission shall be permitted to retain any interest in any closely-held corporation, partnership, sole proprietorship, or similar business entity unless the Executive Commission shall have first determined that the employee or officer may retain such an interest in such business entity.
- a. Each regular State employee or special State officer employed or appointed as of the date of this Executive Order shall notify the Executive Commission as to his or her interest, and his or her spouse's interest, in any such business entity within 120 days of the effective date of this Order. The Executive Commission shall review the disclosure statement and shall determine whether the employee or officer may retain such interest in the business entity consistent with the standards set forth in the Conflicts of Interest Law, N.J.S.A. 52:13D-12 et. seq., and this Executive Order. The Executive Commission shall notify the State employee or officer of its findings no later than 120 days from the Executive Commission's receipt of the Financial Disclosure Statement. The employee or officer shall be afforded 120 days after the date of notification to effectuate the orderly disposition of any asset or to demonstrate that the business entity has ceased the business activity in question.

- b. After the issuance of this Executive Order, no State agency shall employ or appoint any regular State employee or special State officer to a covered position if such person holds any interest in any closely-held corporation, partnership, sole proprietorship or similar business entity, unless the Executive Commission has reviewed such interest and determined that the employee or officer may retain such an interest. A person seeking such employment or appointment shall disclose to the Executive Commission his or her interest, and his or her spouse's interest, in any such business entity as soon as practicable, and the Executive Commission shall render a determination no later than 30 days after receiving such a disclosure, or at its next regularly scheduled meeting. No individual seeking employment or appointment to such a position shall divest a covered asset in a manner otherwise prohibited by this Executive Order for the purpose of satisfying the provisions of the Executive Order.
3. The Executive Commission shall review all financial disclosure statements as they may from time to time be submitted by regular State employees and special State officers to determine whether the covered persons have obtained ownership or interest in any assets that give rise to a present or potential conflict of interest, or present or potential appearance of conflict of interest, within the meaning of this Executive Order.
4. Each regular State employee or special State officer shall amend his or her financial disclosure statement within 30 days of gaining knowledge of (a) his or her, or his or her spouse's acquisition of any interest in any closely-held corporation, partnership, sole proprietorship or similar business entity; or (b) the commencement of any business activity covered by the provisions of this Executive Order and as determined by the Executive Commission, including, for example, a change in business plan authorizing business activity with a federal, State, interstate or local government entity, by a business in which the officer or employee or the employee's or officer's spouse has an interest covered by this Executive Order.
5. Any regular State employee or special State officer subject to this Executive Order who acquires an interest prohibited under this Executive Order by way of inheritance, bequest or similar circumstances beyond his or her control shall follow the procedures for disclosure and disposition set forth in Section III A and Section III B of this Executive Order.
6. All required divestitures shall be subject to the following conditions:
 - a. Divestiture must occur within the time periods prescribed above, unless otherwise extended by the Executive Commission.
 - b. Ownership or control of the asset may not be transferred to a member of the regular State employee's or special State officer's immediate family.
 - c. The terms and conditions of any conveyance of ownership and control of the asset shall not contain any provision regarding the return of the asset to the regular State employee or special State officer subsequent to his or her State service.

7. For the purpose of Section II and Section III of this Attachment E:

- a. "Member of the immediate family" shall mean a spouse, child, parent or sibling residing in the same household.
- b. "Asset" shall mean property of any kind, real and personal, tangible and intangible, having a value greater than \$1,000.
- c. "Interest" in a closely-held corporation, partnership, sole proprietorship or similar business entity shall mean any ownership or control of any profits or assets of such a business entity.
- d. "Doing business" with any federal, State or local government entity shall mean business or commercial transactions involving the sale, conveyance or rental of any goods or services, and shall not include such activities as compliance with regulatory procedures.
- e. "Regular State employee" shall have the same meaning as "State officer or employee" as set forth at N.J.S.A. 52:13D-13b, and "special State officer" shall have the same meaning as "Special State officer or employee" as set forth at N.J.S.A. 52:13D-13e.
- f. "State agency" shall mean any of the principal departments of State government and any entity allocated therein in conformance with N.J. Const. (1947), Art. V, Sec. IV para. 1.